

FY 07/08 Research Initial Scope of Work

- I. Project Title:
Capitol Outlay Support (COS) Percentage Baseline and Benchmark
- II. Project Problem Statement:
This research would support a more accurate understanding of the cost of engineering and related services as a percentage of the cost of physical construction, property acquisition and utility relocation in comparable Local, State or National transportation agencies, including the elements of work that make up COS, what they cost in those agencies, and best practices in the performance and management of that work. In addition, baselines for COS percentages by project type, and size at the component level are not well established.
- III. Objective:
The Capital Outlay Support (COS) program funds functions FHWA calls preliminary engineering, construction engineering and right of way operations. The Department is engaged in delivery of over \$3.0 Billion worth projects with a COS Budget of over \$1.6 Billion. One Department performance measure for COS is the ratio between COS and capital outlay costs. The Department needs an independent comprehensive study of this ratio in comparable Local, State or National transportation agencies, including the elements of work that make up COS and what they cost in those agencies.
- IV. Description of Work and Expected Deliverables:
 - Phase 1 of this research should be development of a synthesis study.
 - Phase 2 will examine other metrics to measure productivity. In addition to provide recommendations to deliver Capital projects faster and cheaper while meeting public expectations; and State and Federal rules and regulations.
 - Phase 3 will apply the recommendations from phase 2 to a set of projects or project components and monitor their effectiveness. Outcomes from Phase 3 could be revised recommendations and/or update to some of the Department business processes.
- V. Background:
Management has requested the research. Completing the study in a year will assist the Department to identify best practices in the efficient and economical performance of engineering and related services on highway projects and identify benchmarks and benchmarking agencies for continuous improvement in the management of COS.
- VI. Estimate of Duration:
The project term will last for 12 months.
- VII. Related Research:

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AASHTO conducted research to identify best practices for project security on industrial projects. But no other research has been conducted to determine best practices in COS programs.

VIII. Deployment Potential:

High deployment potential. The research would determine benchmarking and best practices for the Project Management Division as compared to other transportation agencies.

IX. Date: July 16, 2007